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SUBJECT: PASOK PRESIDENT MANUEVERS TO HALT SLIDE

REF: 07 ATHENS 2205

Sensitive but Unclassified -- Protect Accordingly.

SUMMARY

¶1. (SBU) At the PASOK party Congress over the March 14 - 16 weekend, party leader Papandreou moved to bolster PASOK's plunging poll figures by replacing old guard central committee members with new blood. PASOK rank and file and voters appear to remain dissatisfied with his leadership and apparent inability to capitalize on the Karamanlis government's own decreasing popularity connected with tough pension reform proposals. The main beneficiary of PASOK's collapse in the polls has been the left SYN/SYRIZA coalition party, whose poll numbers have jumped from 4 to almost 18 percent in recent weeks, primarily due to a newly elected charismatic leader. END SUMMARY.

¶2. (SBU) On March 16, main opposition PASOK leader George Papandreou concluded the party's 8th congress with the surprise announcement that all former senior government officials would be barred from PASOK's 20-member directing Political Council. The move, which caused an uproar amongst party veterans, was interpreted as Papandreou's effort to "re-establish" the party by replacing with fresh faces those members of the old guard identified with policies of the past -- and who rose to power under Papandreou's father Andreas. Not unexpectedly, Papandreou's supporters fared poorly in the election of the 150 members of the party's National Council (formerly Central Committee), while supporters of leadership rival Evangelos Venizelos did better than expected.

¶3. (SBU) The PASOK congress was held under growing pressure as the party slides in the polls, with latest data showing PASOK down to 23 percent, a figure not seen since the party's early days in the mid-1970s. Papandreou has been severely criticized for his "demolition" approach to the party apparatus and faced an open, but unsuccessful, leadership challenge from Venizelos in November 2007 (reftel). Much of the PASOK rank and file has expressed deep misgivings about Papandreou's leadership as the party continues to decline despite the current crisis of the Karamanlis New Democracy government due to its broadly unpopular efforts to reform the broken pension system. Polls show Papandreou's failure to offer a convincing alternative or coherent platform are keys to his -- and his party's -- declining popularity.

¶4. (SBU) The main beneficiary of PASOK's collapse in the polls has been the left SYN/SYRIZA coalition party, whose

poll numbers have jumped from 4 to almost 18 percent in recent weeks. SYN/SYRIZA held a national conference on March 15 to underscore the party's aim for "change of the entire authority framework" in Greece. Speaking at the conference, newly elected 34-year-old SYN/SYRIZA leader Alexis Tsipras -- who pundits credit as the driving force behind his party's surge in the polls -- rejected a Papandreou call for a PASOK - SYN/SYRIZA grand coalition to try to oust Karamanlis, a position echoed by Tsipras's predecessor, and now SYN/SYRIZA parliamentary caucus leader, Alekos Alavanos. SYN/SYRIZA, Tsipras emphasized, was not interested in "joint management" of the existing system with PASOK, but, rather, in forming "an autonomous bloc of social and political forces" aiming at a radical change of the political system. SYN/SYRIZA, the party spokesman told reporters, "stands on the bank opposite from PASOK."

15. (SBU) Comment: It is too soon to tell whether PASOK's decline and SYN/SYRIZA's recent up-tic in support is simply a short-term popular reaction to a sense of malaise in PASOK and the election of a charismatic leader in SYN/SYRIZA, or a more lasting trend in Greece's electoral landscape - although we suspect it is more likely the former than the latter. What is clear is that PASOK's decline and subsequent intra-party naval gazing has given additional breathing room to the Karamanlis government as it tackles the broadly unpopular issues of social security and pension reform. End Comment.

SPECKHARD